

13214
RECORDATION NO. Filed 1425
AUG 4 1981 - 4 00 PM
INTERSTATE COMMERCE COMMISSION

July 27, 1981

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INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Attention: Recordation Unit 2303
12th and Constitution, N.W.
Washington, D.C. 20423

Gentlemen:

Enclosed are three executed and acknowledged copies of
a Security Agreement, dated July 27, 1981 by and between

Debtor: Tennessee Valley Railroad Museum
2202 North Chamberlain Avenue
Chattanooga, Tennessee 37406

Secured
Party: The Industrial Development Board of the
City of Chattanooga
Civic Forum
1001 Market Street
Chattanooga, Tennessee 37402

The rolling stock described in Exhibits "B" and "C" to
the Security Agreement are among the collateral of the Debtor in
which the Secured Party is given an interest (subject to certain
restrictions applicable to Exhibit "C") to secure the Debtor's
repayment of a \$1,000,000 loan from the Secured Party. Copies of
Exhibits "B" and "C" which describe the rolling stock are attached.

Please return an original copy of the submittal, upon
its recordation, to:

Alfred E. Smith, Jr.
Miller & Martin
Tenth Floor, Volunteer Building
Chattanooga, Tennessee 37402

Interstate Commerce Commission
July 27, 1981
Page Two

Also enclosed is a check for \$50.00 in payment of your fees.

Sincerely,

The Industrial Development
Board of the City of Chattanooga

By: 

Chairman

Attest: 

Secretary

13214

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SECURITY AGREEMENT

AUG 4 1981 - 4 00 PM

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT, is dated as of the 27th day of July, 1981, by and between TENNESSEE VALLEY RAILROAD MUSEUM, a Tennessee non-profit corporation (the "Debtor") and THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, a Tennessee public corporation (the "Secured Party").

WITNESSETH:

Background. The Secured Party has agreed to loan the Debtor \$1,000,000, pursuant to an Industrial Development Loan Agreement (the "Loan Agreement") of even date between the Debtor and the Secured Party.

The Loan Agreement requires that the Debtor grant to the Secured Party a security interest in certain of its properties and assets to secure payment of the Debtor's indebtedness and obligations to the Secured Party arising under the Loan Agreement.

The Secured Party, in order to lend funds to the Debtor, will issue and sell its Revenue Bond (Tennessee Valley Railroad Museum) in the principal amount of \$1,000,000 (the "Bond") to First Tennessee Bank N. A. Chattanooga.

NOW, THEREFORE, in consideration of the Loan Agreement, the premises herein contained, and other good and valuable considerations, the receipt and sufficiency of which are acknowledged, and all parties intending to be legally bound hereby, the parties agree as follows:

SECTION I.

DEFINITIONS

As used herein:

1.01 "Accounts", "Contracts", "Contract Rights", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments" and "Inventory" shall have the same respective meanings as are given to those terms in the Uniform Commercial Code of Tennessee.

1.02 "Assignment" means the Assignment and Security Agreement of even date between the Secured Party and First Tennessee Bank N. A. Chattanooga.

1.03 "Bond Purchase Agreement" means the Bond Purchase Agreement of even date between the Secured Party and First Tennessee Bank N. A. Chattanooga.

1.04 "Collateral" means the properties, rights and interests of the Debtor described in Paragraph 2.01 of this Agreement.

1.05 "Collateral Documents" means this Agreement together with all other mortgages, deeds of trust, security agreements and assignments necessary in the judgment of the Secured Party to grant and convey to the Secured Party the mortgage interests, liens, security interests and other encumbrances in the Collateral and the financing statements described in Paragraph 2.05 of this Agreement.

1.06 "Indebtedness" means, as to the Debtor, all items of indebtedness, obligation, or liability, whether matured or unmatured, liquidated or unliquidated, direct or contingent, joint or several, including but without limitation:

(A) All indebtedness guaranteed, directly or indirectly, in any amount, or endorsed (other than for collection or deposit in the ordinary course of business) or discounted with recourse;

(B) All indebtedness in effect guaranteed, directly or indirectly, through agreements, contingent or otherwise: (1) to purchase such indebtedness; or (2) to purchase, sell or lease (as lessee or lessor) property, products, materials or supplies or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such indebtedness or to assure the owner of the indebtedness against loss; or (3) to supply funds to or in any other manner invest in the debtor;

(C) All indebtedness secured by (or for which the holder of such indebtedness has a right, contingent or otherwise, to be secured by) any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance upon property owned or acquired subject thereto, whether or not the liabilities secured thereby have been assumed; and

(D) All indebtedness incurred as the lessee of goods or services under leases that, in accordance with generally accepted accounting principles, should not be reflected on the lessee's balance sheet.

1.07 "Note" means the promissory note of the Debtor evidencing its obligations for the repayment of the loan extended by the Secured Party under the Loan Agreement.

1.08 "Obligations" means the obligations of the Debtor:

(A) To pay the principal of and interest on the Note in accordance with the terms thereof and to satisfy all of its other liabilities to the Secured Party, whether now existing or hereafter incurred, matured or unmatured, direct or contingent, joint or several, including any extensions, modifications, renewals thereof and substitutions therefor;

(B) To repay to the Secured Party all amounts advanced by the Secured Party whether under the Loan Agreement or otherwise on behalf of the Debtor, including, but without limitation, advances for principal or interest payments to prior secured parties, mortgagees, or lienors, or for taxes, levies, insurance, rent, repairs to or maintenance or storage of any of the Collateral; and

(C) To reimburse the Secured Party, on demand, for all of the Secured Party's expenses and costs, including the reasonable fees and expenses of counsel, in connection with the preparation, administration, amendment, modification, or endorsement of the Loan Agreement, this Agreement and the documents required thereunder or hereunder, including, without limitation, any proceeding brought or threatened to enforce payment of any of the obligations referred to in the foregoing Paragraphs 1.07(A) and 1.07(B).

1.09 "Permitted Encumbrances" means those items set forth in Exhibit "A" hereto and such other matters affecting title to the Collateral as the Purchaser may approve.

1.10 "Proceeds" shall have the meaning assigned to it under the Uniform Commercial Code of the State of Tennessee and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Debtor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to the Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

1.11 "Purchaser" means First Tennessee Bank N.A. Chattanooga, as purchaser of the Bond pursuant to the Bond Purchase Agreement, and its successors and assigns.

1.12 "Records" means the correspondence, memoranda, tapes, discs, papers, books and other documents, or transcribed information of any type, whether expressed in ordinary or machine language.

1.13 "Rolling Stock" means railroad cars, locomotives and other rolling stock as described in Exhibit "B" or Exhibit "C", as the context may require.

SECTION II.

GRANT OF SECURITY INTEREST

2.01 Rights in Property Held by the Debtor. As security for the prompt satisfaction of all Obligations, the Debtor herein assigns to the Secured Party all of its rights, title and interest in and to, and grants to the Secured Party a lien upon and security interest in all of the following, wherever located, whether now owned or hereafter acquired, together with all replacements therefor and Proceeds (including, but without limitation, insurance proceeds) thereof:

- (A) Accounts;
- (B) Contracts;
- (C) Contract Rights;

(D) Those certain Agreements recorded in Book 2364, Page 730, and in Book 2308, Page 517, Register's Office of Hamilton County, Tennessee, but provided that the Debtor's right, title and interest under said Agreements shall be conveyed hereunder only to the extent and insofar as the Debtor is permitted to make such conveyance.

(E) Equipment including, without limitation, the Rolling Stock described on Exhibit "B";

- (F) Fixtures;
- (G) General Intangibles;
- (H) Inventory; and
- (I) All Records pertaining to any Collateral.

2.02 Subsequently Effective Security Interest. To be effective as of the dates as herein provided, and as further security for the prompt satisfaction of all Obligations, the Debtor herein assigns to the Secured Party a lien upon and security interest in the Rolling Stock described on Exhibit "C", together with all replacements therefor and Proceeds (including without limitation, insurance proceeds) thereof. The Debtor agrees that, effective as of the several dates shown on Exhibit "C", the lien and security interest granted hereby shall automatically and without the necessity of any further action on behalf of either party

attach to the Rolling Stock described on Exhibit "C" and that such Rolling Stock shall become "Collateral" subject to all of the provisions of this Agreement.

2.03 Rights in Property Held by the Secured Party. As further security for the prompt satisfaction of all Obligations, the Debtor hereby assigns, transfers, and sets over to the Secured Party all of its respective right, title and interest in and to, and grants the Secured Party a lien on and a security interest in, all amounts that may be owing from time to time by the Secured Party to the Debtor in any capacity.

2.04 Composition of the Collateral. The Collateral, together with all of any other property of any kind of the Debtor held by the Secured Party, shall stand as one general, continuing collateral security for all Obligations and may be retained by the Secured Party until all Obligations have been satisfied in full.

2.05 Priority of Liens. The foregoing liens shall be first and prior liens except for Permitted Encumbrances.

2.06 Financing Statements.

(A) The Debtor will:

(1) Join with the Secured Party in executing such financing statements (including amendments thereto and continuation statements thereof) in form satisfactory to the Secured Party as the Secured Party may specify;

(2) Pay or reimburse the Secured Party for all costs and taxes of filing or recording the same in such public offices as the Secured Party may designate; and

(3) Take such other steps as the Secured Party may direct, including the noting of the Secured Party's lien on the Collateral and on any certifications of title therefor, all to perfect the Secured Party's interest in the Collateral.

(B) In addition to the foregoing, and not in limitation thereof:

(1) A carbon, photographic or other reproduction of this Agreement or any collateral document shall be sufficient as a financing statement and may be filed in any appropriate office in lieu thereof; and

(2) To the extent lawful, the Debtor hereby irrevocably appoints the Secured Party, as its attorney-in-fact (without requiring the Secured Party to act as such) to

execute any financing statement in the name of the Debtor, and to perform all other acts that the Secured Party deems appropriate to perfect and continue the Secured Party's lien on and security interest in, and to protect and preserve, the Collateral.

SECTION III.

RIGHTS OF SECURED PARTY

3.01 Rights of Secured Party; Limitations on Secured Party's Obligations. It is expressly agreed by the Debtor that, anything herein to the contrary notwithstanding, the Debtor shall remain liable under each Contract to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract. The Secured Party shall have no obligation or liability under any Contract by reason of or arising out of this Security Agreement or the assignment to the Secured Party or the receipt by the Secured Party of any payment relating to any Contract pursuant hereto, nor shall the Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of the Debtor under or pursuant to any Contract, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract, or to present or file any claim, or to take any action to collect or enforce any performance or the payment or any amounts which have been assigned to it or to which it may be entitled at any time or times.

3.02 Collection of Accounts. The Secured Party authorizes the Debtor to collect the Accounts, subject to the Secured Party's direction and control, and the Secured Party may, without cause or notice, curtail or terminate said authority at any time as herein provided. At such intervals as may be agreed upon by the Debtor and the Secured Party, or, if an Event of Default shall have occurred and be continuing, then, at any time in the Secured Party's discretion, any Proceeds, when collected by the Debtor, whether consisting of checks, notes, drafts, bills of exchange, money orders, commercial paper of any kind whatsoever, or other documents, received in payment of any Account or in payment for any Inventory or on account of any Contract shall be promptly deposited by the Debtor in precisely the form received, except for its endorsement when required, in a special bank account maintained by the Secured Party, subject to withdrawal by the Secured Party only, as hereinafter provided, and until so turned over, shall be deemed to be held in trust by the Debtor for and as the Secured Party's property and shall not be commingled with the Debtor's other funds. Each deposit of any such Proceeds will be accompanied by the Secured Party's form of reconciliation report and by a payment of the amount of any allowances, credits, adjustments and discounts, other

than trade discounts granted in the normal course of business. Such proceeds, when deposited, shall continue to be collateral security for all of the Obligations and shall not constitute payment thereof until applied as hereinafter provided. At such intervals as may be agreed upon by the Debtor and the Secured Party, or, if an Event of Default shall have occurred and be continuing, then, at any time in the Secured Party's election, the Secured Party shall apply all or any part of the funds on deposit in said special account on account of the principal of and/or interest on any of the Obligations, the order and method of such application to be in the discretion of the Secured Party and any part of such funds which the Secured Party elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Secured Party to the Debtor. At the Secured Party's request, the Debtor shall deliver to the Secured Party all original and other documents evidencing, and relating to, the sale and delivery of Inventory or the performance of the sale and delivery of Inventory or the performance of labor or service which created the Accounts, including, but not limited to, all original orders, invoices, and shipping receipts.

3.03 Communication with Account Debtors. If an Event of Default shall have occurred and be continuing, the Secured Party may at any time, after first notifying the Debtor of its intention to do so, notify account debtors and parties to the Contracts that the Accounts and the Contracts have been assigned to the Secured Party. Upon the request of the Secured Party at any time, the Debtor will so notify such account debtors and parties to the Contracts. The Secured Party may in its own name or in the name of others communicate with account debtors and parties to the Contracts in order to verify with them to the Secured Party's satisfaction the existence, amount and terms of any Accounts or Contracts.

3.04 Verifications. The Secured Party shall have the right to make test verifications of the Accounts in any manner and through any medium that it considers advisable, and the Debtor agrees to furnish all such assistance and information as the Secured Party may require in connection therewith.

SECTION IV.

REPRESENTATIONS AND WARRANTIES

4.01 Original. The Debtor represents and warrants to the Secured Party as follows:

(A) Each Contract and Account is a bona fide, valid and legally enforceable obligation of the parties thereto or the account debtor in respect thereof. All consents, licenses, approvals or authorizations of, or resignations or declara-

tions with, any governmental authority required to be obtained, effected or given in connection with the execution, delivery and performance of each Contract by each party thereto have been duly obtained, effected or given, are in full force and effect and do not subject the scope of such Contract to any materially adverse limitation, either specific or general in nature.

(B) With respect to each Contract, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to such Contract is in default or is likely to become in default in the performance or observance of any of the terms thereof. The Debtor has fully performed all its obligations under each Contract and the right, title and interest of the Debtor in any Contract or Account is not subject to any defense, offset, counterclaim or claim, nor have any of the foregoing been asserted or alleged against the Debtor as to any Contract or Account.

(C) The amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount actually and unconditionally owing by such account debtors thereunder.

(D) Except as indicated in Paragraph 2.04 of this Agreement, the Debtor is the sole owner of each item of Collateral, having good and marketable title thereto, free and clear of any and all mortgages, liens, security interests, encumbrances, claims or rights of others.

(E) No security agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed by the Debtor in favor of the holders of liens and interests described in Paragraph 2.04 of this Agreement.

(F) This Agreement constitutes a valid and continuing first lien on and first security interest in the Collateral in favor of the Secured Party prior to all other liens, encumbrances, security interests and rights of others (except as indicated in Paragraph 2.04 of this Agreement), and is enforceable as such as against creditors of and purchasers from the Debtor and as against any purchaser of such real property and any present or future creditor obtaining a lien on such real property. All action necessary or desirable to protect and perfect such security interest in each item of the Collateral has been duly taken.

4.02 Survival. All of the representations and warranties set forth in Paragraph 4.01 shall survive until all Obligations are satisfied in full.

SECTION V.

COVENANTS OF DEBTOR

Covenants. The Debtor covenants and agrees with the Secured Party that from and after the date of this Security Agreement and until the Obligations are fully satisfied:

5.01 Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of the Secured Party, and at the sole expense of the Debtor, the Debtor will promptly and duly execute and deliver any and all such further instruments and documents and take such further actions as the Secured Party may reasonably deem desirable in obtaining the full benefits of this Agreement and of the right and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code in effect in any jurisdiction with respect to the liens and security interests granted hereby including, without limitation, the filing of any instruments under the Interstate Commerce Act with respect to the Rolling Stock. The Debtor also hereby authorizes the Secured Party to file any such financing or continuation statement without the signature of the Debtor to the extent permitted by applicable law. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged to the Secured Party hereunder, duly endorsed in a manner satisfactory to the Secured Party.

5.02 Maintenance of Records. The Debtor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral including, without limitation, a record of all payments received and all credits granted with respect to the Collateral and all other dealings with the Collateral. The Debtor will mark its books and records pertaining to the Collateral to evidence this Agreement and the security interests granted hereby. For the Secured Party's further security, the Debtor agrees that the Secured Party shall have a special property interest in all of the Debtor's books and records pertaining to the Collateral and if there occurs an Event of Default which is continuing, the Debtor shall deliver and turn over any such books and records to the Secured Party or to its representatives at any time on demand of the Secured Party.

5.03 Indemnification. In any suit, proceedings, or action brought by the Secured Party under any Contract for any sum owing thereunder, or to enforce any provisions of such Contract,

the Debtor will save, indemnify and keep the Secured Party harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach by the Debtor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Debtor, and all such obligations of the Debtor shall be and remain enforceable against and only against the Debtor and shall not be enforceable against the Secured Party.

5.04 Compliance with Laws, etc. The Debtor will comply, in all material respects, with all acts, rules, regulations, orders, decrees and directions of any governmental authority, applicable to the Collateral or any part thereof or to the operation of the Debtor's business; provided, however, that the Debtor may contest any act, regulation, order, decree or direction in any reasonable manner which shall not, in the sole opinion of the Secured Party, adversely affect the Secured Party's rights or the first priority of its security interest in the Collateral.

5.05 Payment of Obligations. The Debtor will pay promptly when due, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind (including claims for labor, materials, and supplies), except that no such charge need be paid if: (i) the validity thereof is being contested in good faith by appropriate proceedings; (ii) such proceedings do not involve any danger of the sale, forfeiture or loss of any of the Collateral or any interest therein; and (iii) such charge is adequately reserved against in accordance with generally accepted accounting principles.

5.06 Compliance with Terms of Contracts, etc. The Debtor will perform and comply in all material respects with all obligations under the Contracts and all other agreements to which it is a party or by which it is bound relating to the Collateral.

5.07 Limitation on Liens on Collateral, etc. Except for Permitted Encumbrances, the Debtor will not without the prior written consent of the Secured Party, create, permit or suffer to exist, and will defend the Collateral and the Rolling Stock described on Exhibit "C" against and take such other action as is necessary to remove, any lien, security interest, encumbrance, claim or right, in or to the Collateral and the Rolling Stock described on Exhibit "C", and will defend the right, title and interest of the Secured Party in and to any of the Debtor's rights under the Contracts and to the Inventory and Equipment and in and to the Proceeds and products thereof against the claims and demands of all persons whomsoever. Secured Party shall not unreasonably withhold its consent to the grant by Debtor of a security interest

in or lien upon the Collateral which is junior in priority to the security interest and lien of the Secured Party.

5.08 Limitation on Indebtedness. The Debtor will not, without the prior approval of the Secured Party, which shall not be unreasonably withheld, create, assume or permit to exist any Indebtedness in excess of \$25,000, except for (1) Permitted Encumbrances and (2) the loan extended by the Secured Party under the Loan Agreement.

5.09 Limitations on Modifications of Contracts, Accounts; No Waiver, Extensions. The Debtor will not: (i) except in the ordinary course of business, amend, modify, terminate or waive any provision of any Contract in any manner which might materially adversely affect the value of such Contract as Collateral; (ii) fail to exercise promptly and diligently each and every material right which it may have under each Contract (other than any right of termination); or (iii) fail to deliver to the Secured Party a copy of each material demand, notice or document received by it relating in any way to any Contract. Except in the ordinary course of business, the Debtor will not, without the Secured Party's prior written consent, grant any extension of the time of payment of any of the Accounts, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any person liable for the payment thereof, or allow any credit or discount whatsoever thereon or other than trade discounts granted in the normal course of business.

5.10 Limitations on Dispositions of Inventory and Equipment. The Debtor will not sell, transfer, lease or otherwise dispose of any of the Inventory or Equipment, or attempt, offer or contract to do so except for (i) sales of Inventory in the ordinary course of its business and (ii) so long as no Event of Default has occurred, the disposition of Equipment which has become worn out or obsolete in the ordinary course of business.

5.11 Further Identification of Collateral. The Debtor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.

5.12 Notices. The Debtor will advise the Secured Party promptly, in reasonable detail: (i) of any lien, security interest, encumbrance, or claim made or asserted against any of the Collateral; (ii) of any material change in the composition of the Collateral; and (iii) of the occurrence of any other event which would have a material effect on the collectability, enforceability, or value of the Collateral or on the security interests created hereunder.

5.13 Right of Inspection. The Secured Party shall at all times have full and free access during normal business hours to all the books, correspondence and records of the Debtor, and the Secured Party or its representatives may examine the same, take extracts therefrom and make photocopies thereof, and the Debtor agrees to render to the Secured Party, at the Debtor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Secured Party and its representatives shall at all times also have the right to enter into and upon any premises where any of the Inventory or Equipment is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

5.14 Maintenance of Collateral. The Debtor will maintain its Equipment and other tangible properties comprising a part of the Collateral in good condition and repair (normal wear and tear excepted), and will pay and discharge or cause to be paid and discharged when due, the cost of repairs to or maintenance of the same, and will pay or cause to be paid all rental or mortgage payments due on such Collateral. In the event the Debtor fails to pay or cause to be paid any such payment, the Secured Party may do so and be reimbursed by the Debtor therefor.

5.15 Insurance. The Debtor will maintain, or cause to be maintained, public liability insurance and fire and extended coverage insurance on all assets owned by it, all in such form and amounts as are consistent with industry practices and with such insurers as may be satisfactory to the Secured Party. Such policies shall contain a provision whereby they cannot be cancelled except after ten (10) days' written notice to the Secured Party. The Debtor will furnish to the Secured Party such evidence of insurance as the Secured Party may require. In the event the Debtor fails to pay or cause to be paid the premium on any such insurance, the Secured Party may do so and be reimbursed by the Debtor therefor, and all amounts so expended by the Secured Party shall bear interest until fully reimbursed by such Debtor. Interest will accrue on any such payment at the highest contractual rate set permitted by law until the date of reimbursement by the Debtor. The Secured Party is hereby appointed by the Debtor's attorney-in-fact (without requiring the Secured Party to act as such) to prepare and file claims for such insurance, and to endorse any check which may be payable to the Debtor, to collect such returned or unearned premiums or the proceeds of such insurance, and any amount so collected may be applied by the Secured Party toward satisfaction of any of the Obligations. The policies of insurance shall insure the interests of Secured Party as loss payee or under standard mortgage endorsement in all tangible items of Collateral in amounts not less than fair market value thereof.

5.16 Location of Collateral. The tangible items of Collateral will be kept on the real property described on Exhibit

"D" or on the Volunteer Ordinance Works Military Reservation and the Debtor will not remove any part of the Collateral without the express prior written consent of the Secured Party, except that, so long as no Event of Default has occurred and is continuing: (i) the Debtor may dispose of any tangible personal property, comprising a part of the Collateral, which has become worn out or obsolete; and (ii) any of the Rolling Stock may be removed from the premises for a period of time not to exceed thirty (30) days.

SECTION VI.

EVENTS OF DEFAULT; REMEDIES

6.01 Event of Default. An "Event of Default", as defined in the Loan Agreement, shall be an Event of Default hereunder.

6.02 Sale of Collateral. In the event there shall occur and be continuing an Event of Default which has not been cured or corrected within any applicable grace period provided for in the Loan Agreement, and such Event of Default has not been waived in accordance with the provisions of the Loan Agreement and results in an acceleration of the Obligations, the Secured Party shall have, in addition to the rights and remedies given it by this Agreement, the Loan Agreement, the Note, and the Collateral Documents, all those rights and remedies allowed by all applicable laws, including, but without limitation, the Uniform Commercial Code of the State of Tennessee and as enacted in any jurisdiction in which any Collateral may be located. Without limiting the generality of the foregoing, the Secured Party may immediately, without demand of performance and without other notice or demand (except as specifically required by this Agreement, the Loan Agreement, or the Collateral Documents) whatsoever to the Debtor, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, the whole or, from time to time, any part of the Collateral or any interest which the Debtor may have therein. Notice of any sale or other disposition shall be given to the Debtor at least ten (10) days before the time of any intended public sale or of the time after which any intended private sale or other disposition of the Collateral is to be made, which the Debtor hereby agrees shall be reasonable notice of such sale or other disposition, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Debtor agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the Uniform Commercial Code. The Debtor agrees to assemble, or to cause to be assembled, at its own expense, the Collateral at such place or places as the Secured Party shall designate. At any such sale or other disposition, the Secured Party may, to the extent permissible under applicable laws, purchase the whole or any part of the Collateral, free from any

right of redemption on the part of the Debtor, which right is hereby waived and released. Without limiting the generality of any of the rights and remedies conferred upon the Secured Party under this paragraph, the Secured Party may, to the full extent permitted by applicable laws:

(A) Enter upon any premises of the Debtor, exclude therefrom the Debtor and take immediate possession of the Collateral, either personally or by means of a receiver appointed by a court of competent jurisdiction, using all necessary force to do so;

(B) At the Secured Party's option, use, operate, manage and control the Collateral in any lawful manner;

(C) Collect and receive all rents, income, revenue, earnings, issues and profits therefrom; and

(D) Maintain, repair, renovate; alter or remove the Collateral as the Secured Party may determine in its discretion.

6.03 Payments Received upon Event of Default. If an Event of Default shall occur and be continuing:

(A) All payments received by the Debtor under or in connection with any of the Collateral shall be held by the Debtor in trust for the Secured Party, shall be segregated from other funds of the Debtor and shall forthwith upon receipt by the Debtor, be turned over to the Secured Party, in the same form as received by the Debtor (duly endorsed by the Debtor to the Secured Party, if required); and

(B) Any and all such payments so received by the Secured Party (whether from the Debtor or otherwise) may, in the sole discretion of the Secured Party, be held by the Secured Party as collateral security for, and then or at any time thereafter, applied in whole or in part by the Secured Party, against all or any part of the Obligations in such order as the Secured Party shall elect. Any balance of such payments held by the Secured Party and remaining after payment in full of all the Obligations shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive the same.

6.04 Application of Proceeds. The Secured Party shall apply net proceeds of any collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care, safe keeping or otherwise of any or all of the Collateral or in any way relating to the rights of the Secured Party hereunder, including reasonable attorneys' fees and legal expenses, to the payment

in whole or in part of the Obligations. The Debtor shall remain liable for any deficiency remaining unpaid after such application. Only after so paying over such net proceeds and after the payment by the Secured Party of any other amount required by any provision of law, including Section 9-504(1)(c) of the Uniform Commercial Code, need the Secured Party account for the surplus, if any, to the Debtor. To the extent permitted by applicable law, the Debtor waives all claims, damages, and demands against the Secured Party arising out of the repossession, retention or sale of the Collateral. The Debtor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which the Secured Party is entitled. The Debtor shall be liable for the reasonable fees of any attorneys employed by the Secured Party to collect such deficiency.

6.05 Costs. The Debtor also agrees to pay all costs of the Secured Party, including reasonable attorneys' fees, incurred with respect to the collection of any of the Obligations and the enforcement of any of its rights hereunder.

6.06 Waiver. The Debtor hereby waives presentment, demand, protest or any notice (to the extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

SECTION VII

MISCELLANEOUS

7.01 Construction. The provisions of this Agreement shall be in addition to those of the Loan Agreement, the Bond, the Bond Purchase Agreement, the Assignment, the Note, or any other evidence of liability held by the Secured Party, all of which shall be construed as complementary to each other. Nothing herein contained shall prevent the Secured Party from enforcing any right or remedy under such documents in accordance with the respective terms thereof.

7.02 Further Assurance. From time to time, the Debtor will execute and deliver to the Secured Party such additional documents and will provide such additional information as the Secured Party may reasonably require to carry out the terms of this Agreement and be informed of the Debtor's status and affairs.

7.03 Enforcement and Waiver by the Secured Party. The Secured Party shall have the right at all times to enforce the provisions of this Agreement and the Collateral Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Secured Party in refraining from so doing at any time or times. The failure of the Secured Party at any time or times to enforce its rights under such provi-

sions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Agreement or as having in any way or manner modified or waived the same. All rights and remedies of the Secured Party are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

7.04 Notices. Any notices or consents required or permitted by this Agreement shall be in writing and shall be deemed delivered if delivered in person or sent by certified mail, postage prepaid, return receipt requested, or telegraph, as follows, unless such address is changed by written notice hereunder:

(A) If to the Debtor:

Tennessee Valley Railroad Museum, Inc.
(Post Office Box 5263)
2202 North Chamberlain Avenue
Chattanooga, Tennessee 37406

With copy to:

First Tennessee Bank N.A. Chattanooga
701 Market Street
Chattanooga, Tennessee 37402

Attention: J. A. Hall

(B) If to the Secured Party:

The Industrial Development Board of the City of
Chattanooga
Civic Forum
1001 Market Street
Chattanooga, Tennessee 37402

With copy to:

Gary D. Lander, Esquire
Pioneer Bank Building
Chattanooga, Tennessee 37402

7.05 Waiver and Release by the Debtor. To the maximum extent permitted by applicable laws, the Debtor:

(A) Waives: (1) protest of all commercial paper at any time held by the Secured Party on which the Debtor is in any way liable; and (2) notice and opportunity to be heard, after acceleration of the Obligations, before exercise by the Secured Party of the remedies of self-help, set-off, or of other

summary procedures permitted by any applicable laws or by any agreement with the Debtor, and, except where required hereby or by any applicable laws, notice of any other action taken by the Secured Party; and

(B) Releases the Secured Party and its officers, attorneys, agents and employees from all claims for loss or damage caused by any act or omission on the part of any of them except willful misconduct.

7.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

7.07 Assignment. The Debtor shall not have the right to assign any of its rights or obligations hereunder without the prior written consent of the Secured Party. The rights of the Secured Party to assign this Agreement, and the rights and obligations of the Secured Party's assignees shall be governed by the terms of the Loan Agreement, the Bond Purchase Agreement and the Assignment.

7.08 Severability. If any provision of this Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

7.09 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

7.10 Secured Party's Appointment as Attorney-in-Fact.

(A) The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in its own name, from time to time in the Secured Party's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives the Secured Party the power and right, on behalf of the Debtor, without notice to or assent by the Debtor to do the following:

(1) Upon the occurrence and continuance of an Event of Default, to ask, demand, collect, receive, and give acquittances and receipts for any and all moneys due and

to become due under any Contract or Account and, in the name of the Debtor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Contract or Account and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Secured Party for the purpose of collecting any and all such moneys due under any Contract or Account whenever payable;

(2) To pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(3) Upon the occurrence and continuance of any Event of Default, (i) to direct any party liable for any payment under any of the Contracts to make payment of any and all moneys due and to become due thereunder directly to the Secured Party or as the Secured Party shall direct; (ii) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (iii) to sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts and other documents relating to the Collateral; (iv) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (v) to defend any suit, action or proceeding brought against the Debtor with respect to any Collateral; (vi) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Secured Party may deem appropriate; and (vii) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option and the Debtor's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein, in order to effect the intent of this Agreement, all as fully and effectively as the Debtor

might do. The Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

(B) The powers conferred on the Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtors for any act or failure to act, except for its own gross negligence or willful misconduct.

(C) The Debtor also authorizes the Secured Party, at any time and from time to time, (i) to communicate in its own name and with any party to any Contract with regard to the assignment of the Contracts hereunder and other matters relating thereto and (ii) to execute, in connection with the sale provided for in Section 6.02 of this Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

7.11 Performance by Secured Party of Debtor's Obligations. If the Debtor fails to perform or comply with any of its agreements contained herein and the Secured Party, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of the Secured Party incurred in connection with such performance or compliance, together with interest thereon at the highest contractual rate permitted by law, shall be payable by the Debtor to the Secured Party on demand and shall constitute Obligations secured hereby.

7.12 Limitation on Secured Party's Duty in Respect of Collateral. Beyond the safe custody thereof, the Secured Party shall not have any duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of it or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

7.13 Successors and Assigns. This Agreement and all obligations of the Debtor hereunder shall be binding upon the successors and permitted assigns of the Debtor, and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party, and its successors and assigns.

7.14 Further Indemnification. The Debtor agrees to pay, and to save the Secured Party harmless from, any and all liabil-

ities with respect to, or resulting from any delay in paying, and and all excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Security Agreement.

7.15 Other Proceedings. If the security interest in the Collateral created hereby, or if the Debtor's rights or interest in or title to the Collateral or any part thereof, shall be threatened or shall be attacked, directly or indirectly, or if any legal proceedings are instituted against Debtor, the Secured Party or the holder of any Obligation, the Debtor will promptly give written notice thereof to the Secured Party and at the Debtor's own cost and expense will act diligently to cure any defect that may be developed or claimed and will take all necessary and proper steps for the protection and defense thereof and will take such action as appropriate to the defense of any such legal proceedings, including, but not limited to, the employment of counsel, the prosecution and defense of litigation and the compromise or release and discharge of any adverse claims made. The Debtor hereby authorizes the Secured Party, at the Debtor's expense, to take all such action as may be deemed by the Secured Party to be necessary or appropriate for the defense and protection of the rights in or title to the Collateral or any part thereof and the security interest created hereby, or of any of the foregoing rights, titles or interest of the Debtor, including, but not limited to, the employment of independent counsel, the prosecution and defense of litigation, and, with the consent of the Debtor, which shall not be unreasonably withheld, the compromise or release and discharge of any adverse claims.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in Chattanooga, Tennessee, as of the date and year first above written.

DEBTOR:

TENNESSEE VALLEY RAILROAD MUSEUM

By:

Robert M. South
President

ATTEST:

Louis J. Miller III
Asst Secretary

SECURED PARTY:

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF CHATTANOOGA

By: *Frommer*
VICE Chairman

ATTEST: *W. K. Kelly*
Secretary

STATE OF Tennessee)
COUNTY OF Hamilton)

On this 27th day of July, 1981, before me personally appeared Robert M. Sauls and Louis J. Miller, III, to me personally known who being by me duly sworn say that they are the President and Asst. Secretary, respectively of Tennessee Valley Railroad Museum, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patrice L. Davis
Notary Public

My commission expires: My Commission Expires April 17, 1984

(SEAL)

STATE OF Tennessee)
COUNTY OF Hamilton)

On this 28th day of July, 1981, before me personally appeared T. W. Mills and A. J. Koblentz, to me personally known who being by me duly sworn say that they are the Vice Chairman and Secretary, respectively of The Industrial Development Board of the City of Chattanooga, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Patrice L. Davis
Notary Public

My commission expires:
My Commission Expires April 17, 1984

(SEAL)

EXHIBIT "A"

Permitted Encumbrances

(1) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business that are not yet due and payable;

(2) Liens in favor of the Secured Party;

(3) A line of credit from First Tennessee Bank N.A. Chattanooga to the Debtor in an amount not to exceed \$50,000 from time to time outstanding.

(4) The following matters which affect title to the Debtor's real property described in Exhibit "D" to the Security Agreement to which this Exhibit "A" is also annexed:

(a) Agreed Final Decree recorded in Book 2308, Page 647 and Book 2308, Page 522, in the Register's Office of Hamilton County, Tennessee.

(b) Agreement recorded in Book 2308, Page 517, said Register's Office.

(c) Agreement recorded in Book 2364, Page 730, said Register's Office.

(d) Easements, rights, conditions, etc., as set out in instrument recorded in Book 1977, Page 119, said Register's Office.

(e) Easement to City of Chattanooga, recorded in Book 1697, Page 54, said Register's Office, as to Tract 6 described in said Exhibit "D".

(f) Easement to the United States of America recorded in Book 847, Page 465, said Register's Office, as to Tract 6 described in said Exhibit "D".

(g) Easement to Tennessee Electric Power Board recorded in Book 606, Page 418, said Register's Office, as to Tract 6 described in said Exhibit "D".

(h) Right of way easement recorded in Book 1811, Page 283, said Register's Office, as to Tract 6 described in said Exhibit "D".

(i) Transmission line easement recorded in Book 973, Page 183, said Register's Office, as to Tract 6 described in said Exhibit "D".

(5) The following liens, provided that they shall in all respects be inferior and subordinate to the Security Agreement to which this Exhibit "A" is annexed and the Deed of Trust of even date herewith from the Debtor to Neil B. Cofer, trustee for the benefit of the Secured Party:

(a) Pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;

(b) Liens of mechanics, materialmen, warehousemen, carriers or other like liens, securing obligations incurred in the ordinary course of business, that are not yet due and payable;

(c) Good faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of ten percent (10%) of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(d) The following matter which affects title to the Debtor's real property described in Exhibit "D" to the Security Agreement to which this Exhibit "A" is also annexed: vendor's lien retained in Book 2422, Page 979 secured by a Deed of Trust recorded in Book 2422, Page 982, in the Register's Office of Hamilton County, Tennessee.

(e) The following, if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings, so long as levy and execution thereon have been stayed and continued to be stayed and they do not in the opinion of the Secured Party, materially detract from the value of the property of the Debtor, or materially impair the use thereof in the operation of its business:

(i) Claims or liens for taxes, assessments or charges due and payable and subject to interest or penalty;

(ii) Claims, liens and encumbrances upon and defects of title to, real or personal property, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits;

(iii) Claims or liens of mechanics, materialmen, warehousemen, carriers or other like liens; and

(iv) Adverse judgments on appeal.

EXHIBIT "B"
ROLLING STOCK

STEAM LOCOMOTIVES

6910, built in 1923 by the Baldwin Locomotive Co. for the Kentucky and Tennessee RR (Ser. No. 53182). It has a 2-8-2 wheel arrangement, boiler pressure of 200 psi, a 17 ton and 12,000 gallon tender, two lifting injectors, two single air compressors; and a Westinghouse brake system.

610, built in 1952 by the Baldwin-Lima-Hamilton Co. for the United States Army (Ser. No. 75503). It has a 2-8-0 wheel arrangement, boiler pressure of 210 psi, a 15 ton and 9,000 gallon tender, two non-lifting injectors, a cross-compound air compressor; and Westinghouse brake system.

3, built in 1928 by the American Locomotive Company (Ser. No. 66308) for the Southern Wood Preserving Co. of Chattanooga. This tank locomotive has a 0-4-0 wheel arrangement, one air compressor, two lifting injectors, a boiler pressure of 180 psi, and a Westinghouse brake system.

BUSINESS CARS

Car 98, Eden Isle, built by Pullman in 1917 as B & O 98. The car has three staterooms, observation lounge, dining room, galley, 2 baths and crew quarters. It is equipped with 6 wheel trucks, electro-mechanical air conditioning, 32 volt electrical system, Westinghouse U.C. brake system, and tightlock couplers. Car length over the buffers - 82'2". AAR mechanical designation - PV.

Car 400, New River, built by Pullman in 1923 for the P.L. & E. This car has four staterooms, observation lounge, dining room, galley, 2 baths and crew quarters. It is equipped with 6 wheel trucks, ice activated air conditioning system, 64 volt electrical system, Westinghouse U.C. brake system and standard type E couplers. Car length over the buffers - 82'2". AAR Mechanical Designation - PV.

SLEEPING CARS

Lake Moreau, 2420, built by Pullman in 1923, for sleeping car service on the Southern. The car has 8 open sections, 2 bedrooms and 1 drawing room. It is equipped with two vestibules, 3 restrooms, 6 wheel trucks, Pullman type mechanical air conditioning, 32 volt electrical system, Westinghouse U.C. brake system and standard couplers. Car length over the buffers - 82'6". AAR mechanical designation - PS.

Maitland, C.N.O. & T.P. 3510, built by Pullman in 1923 for sleeping car service on the Southern. This car has 12 open sections and 1 drawing room. It is equipped with two vestibules, 3 restrooms, 6 wheel trucks, Pullman type mechanical air conditioning, 32 volt electrical system, Westinghouse U.C. brake system and standard couplers. Car Length over the buffers - 82'6". AAR mechanical designation - PS.

Cut Bank Pass, C.B. & Q. 1167, built by Pullman Standard in 1947 for sleeping car service on the train Empire Builder. This car has 8 duplex roomettes, 4 bedrooms, and 4 open sections. It is equipped with one vestibule, 2 restrooms, 4 wheel trucks, electro-mechanical air conditioning, 32 volt electrical system, Westinghouse ABDP - 22 brake system and has tightlock couplers. Car length over the buffers -85'. AAR mechanical designation - PS.

Mountain Road, built by Pullman in 1928 for sleeping car service on several railroads. The car has 10 open sections and observation lounge. It is equipped with one vestibule, one observation vestibule, 6 wheel trucks, Pullman type mechanical air conditioning, 32 volt electrical system, Westinghouse U.C. brake system and standard couplers. Car length over the buffers - 82'6". AAR mechanical designation - PS..

Nine Times, (ex-N.C. & St. L. Indian Summer), built by Pullman in 1927, as a cafe-lounge car. The car was rebuilt in the 1950's to office car service and has one bedroom, 2 roomettes, crew quarters and galley. It

is equipped with one vestibule, one observation vestibule, 6 wheel trucks, ice activated air conditioning, 32 volt electrical system, Westinghouse U.C. brake system and standard type E couplers. Car length over the buffers - 82'2". AAR mechanical designation - PV.

COACHES

661, built by American Car and Foundry in 1947 for the Central of Georgia Railway. The car has a seating capacity of 56, and is equipped with two restrooms, one vestibule, 4 wheel trucks, electro-mechanical air conditioning, 32 volt electrical system, tightlock couplers, and Westinghouse ABDP-22 brake system. Car length over the buffers - 85'. AAR mechanical designation - PB.

906, built by Pullman in 1928 for the Central of Georgia Railway as car 528. The car has a seating capacity of 64 and is equipped with four restrooms, two vestibules, 6 wheel trucks, steam ejector air conditioning, 32 volt electrical system, tightlock couplers and Westinghouse UC brake system. Car length over the buffers - 79'. AAR mechanical designation - PB.

907, built by American Car and Foundry in 1947 for the Central of Georgia Railway as car 543. The car has a seating capacity of 68 and is equipped with 4 restrooms, one vestibule, 4 wheel trucks, electro-mechanical air conditioning, 32 volt electrical system, tightlock couplers, Westinghouse ABDP-22 brake system. Car length over the buffers - 85'. AAR mechanical designation - PB.

1000, 1008, 1066, 1071, and 1072, built by Pullman in the late 1920's for the Southern Railway. These five cars each have a seating capacity of 46 and are equipped with two restrooms, two vestibules, 6 wheel trucks, steam ejector air conditioning, 32 volt electrical system, standard type E couplers, and Westinghouse U.C. brake system. Car length over the buffers - 79'. AAR mechanical designation - PB.

1037, built by Pullman in the late 1920's for the Southern Railway as a sleeping car and converted to a day coach in the 1950's. This car has a seating capacity of 52 and is equipped with 2 restrooms, 2 vestibules, 6 wheel trucks, electro-mechanical air conditioning, 64 volt electrical system, standard type E couplers, Westinghouse U.C. brake system. Car length over the buffers 82'4". AAR mechanical designation - PB.

1058, built by Pullman in the late 1920's for the Southern Railway. This car has a seating capacity of 48 and is equipped with 2 restrooms, 2 vestibules, 6 wheel trucks, steam ejector air conditioning, 32 volt electrical system, standard type E couplers, Westinghouse U.C. brake system. Car length over the buffers - 79'. AAR mechanical designation - PB.

1200, built by Pullman in the late 1920's for the Southern Railway. This car has a seating capacity of 44 and is equipped with 4 restrooms, 6 wheel trucks, steam ejector air conditioning, 32 volt electrical system, standard type E couplers, Westinghouse U.C. Brake System, car length over the buffers 79'. AAR mechanical designation - PB.

RAILWAY POST OFFICE CARS

39, built by Pullman for the Southern Railway in 1928. This car has mail racks and work areas for mail sorting enroute. It is equipped with four wheel trucks, one restroom, four 30 inch side doors, 32 volt electrical system and Westinghouse U.C. Brake System, car length over the buffers - 69'. AAR mechanical designation - MA.

1040, built by Pullman as a sleeping car for the Nashville, Chattanooga and St. Louis Railway and converted in 1947 into a railway post office car. It is presently equipped as a shop/tool car and has 6 wheel trucks, one restroom, two 30 inch doors, two 6 foot doors, and Westinghouse U.C. Brake System. Car length over the buffers - 82'4". AAR mechanical designation - MA.

STEAM GENERATOR CARS

960600 and 960602 are each equipped with water and fuel oil storage tanks, diesel 25KW 220v/64v power plant, two Vapor type OK steam generators, and storage batteries. Each car is equipped with 4 wheel trucks and Westinghouse ABDP-22 Brake systems.

BAGGAGE CARS

598, 4530, 4064, 6464, built by Pullman in the 1920s as sleeping cars for the Southern Railway. These four cars were made into baggage cars

in the 1950s and are equipped with four 6 foot side doors, 32 volt electrical system, 6 wheel trucks, and standard type E couplers. Car length over the buffers - 82'-3". AAR mechanical designation - BE.

COMMISSARY CAR

50, built by the Saint Louis Car Building Co. in 1952 for the United States Army as a troop kitchen car. The car has two six foot doors, 4 wheel trucks, and Westinghouse ABDP-22 brake system. Car length over the buffers - 50'6". AAR mechanical designation - BE.

DINING CARS

3158, built by Pullman for the Southern Railway as a 44 seat dining car. The car is equipped with a galley, pantry, 6 wheel trucks, steam ejector, air conditioning, 32 volt electrical system. New York U.C. brake system, 2 small side doors, and standard type E couplers. Car length over the buffers - 79'. AAR mechanical designation - DA.

7801, built by American Car and Foundry in 1947 for the Chicago and Northwestern Railway as a diner-lounge car. The car is equipped with a galley, pantry, 4 wheel trucks, electro-mechanical air conditioning, 32 volt electrical system, Westinghouse ABDP-22 Brake System, tightlock couplers, three small side doors. Car length over the buffers - 85'. AAR mechanical designation - DPA.

FREIGHT CARS

900217 a 40 foot car, equipped with two ten foot side doors, tool storage area, work table, Westinghouse AB brake system, standard couplers, and four wheel trucks. AAR mechanical designation - XM.

39057, 39216, 50 foot box cars, equipped with four ten foot side doors, Westinghouse AB brake system, standard couplers, and four wheel trucks. AAR mechanical designation - XM.

51024, a 40 foot flat car with oak wood deck, Westinghouse AB brake system, standard couplers, and four wheel trucks. AAR mechanical designation - FA.

5 and DODX 17052, two 40 foot tank cars, each with a capacity of 8,000 gallons, equipped with standard couplers, Westinghouse AB brake system, four wheel trucks. AAR mechanical designation - T.

CABOOSE

41, built in 1928 for the Florida East Coast Railway and sold in 1933 to the Nashville, Chattanooga, and St. Louis RR. This 40 foot caboose has a seating capacity of 21, two vestibules, standard couplers and Westinghouse AB Brake System. AAR mechanical designation - N.

TENDERS FOR STEAM LOCOMOTIVE

N.C. & STL 90325, a 17 ton and 12,000 gallon tender with 4 wheel trucks.

ex Sou 4501, a 15 ton and 8,000 gallon tender, with 4 wheel trucks.

ex K&T 10, a 15 ton and 7,500 gallon tender, with 4 wheel trucks.

BALLAST TAMPER

An 8 tool production ballast tamper powered by a GM Diesel engine.

This machine was rebuilt by Portec Inc. in 1980.

EXHIBIT " C "

ROLLING STOCK

DIESEL ELECTRIC LOCOMOTIVES

8014, built by ALCO in 1942 for the United States Army. This locomotive is a 1000 HP unit powered by a Model 539S turbocharged engine, has 6 wheel trucks, 600 volt electrical system, is 127 tons in weight and 60 feet long over the couplers.

8014 becomes collateral as of May 19, 1983.

8662, 8669 and 8677, built by ALCO in 1945 for the United States Army. These three locomotives are 1000 HP units, powered by a Model 539S turbocharged engine, has 6 wheel trucks, 600 volt electrical system, are 131 tons in weight and 60 feet long over the couplers.

8662, 8669 and 8677 become collateral as of May 19, 1983.

7041, built by the General Electric Co. in 1954 for the United States Army. This 45 ton locomotive is a 300 HP unit powered by two Cummins Diesel Engine Co. Model HBI 600 engines, and has 4 wheel trucks, 250 volt electrical system, and is 28'4" long over the couplers.

7041 becomes collateral as of June 1, 1983.

EXHIBIT D

TRACT ONE (1):

All that piece or parcel of land situate, lying and being in the City of Chattanooga, Hamilton County, Tennessee, on the southerly side of and adjacent to the right-of-way for Southern Railway Company's former main track running between Chattanooga and Ooltewah Junction, Tennessee, and being a portion of Blocks 5 and 8, Sherman Heights, in the 1st Civil District, East Chattanooga, Tennessee, more particularly described as follows: BEGINNING at a point in the northerly line of Lot 2, Block 8, Sherman Heights, 200 feet distant South 38 degrees 55 minutes East from a point in the common center line between the former double main tracks of Southern Railway, measured at a right angle thereto from a point therein 985.32 feet North 51 degrees 25 minutes East (measured along said common center line) from Milepost 238-A on said railroad; and running thence South 67 degrees 05 minutes East, along said northerly line of Lot 2, Block 8, a distance of 76.76 feet, more or less, to the westerly line of Spring Street; thence South 44 degrees 11 minutes East a distance of 51.8 feet, more or less, to the easterly line of Spring Street; thence South 67 degrees 05 minutes East, along the northerly line of Lots 19 and 7, Block 5, a distance of 273.11 feet, more or less, to the westerly line of Maud Street; thence South 22 degrees 55 minutes West along said westerly line of Maud Street, a distance of 350 feet, more or less, to the southerly line of Lot 1, Block 6; thence North 67 degrees 05 minutes West, along said southerly line of Lot 1, Block 6, a distance of 140 feet, more or less, to the easterly line of Lot 2, Block 6; thence South 22 degrees 55 minutes West, along said easterly line of Lot 2, Block 6 a distance of 30 feet, more or less, to the northerly line of Emma Street (extended southwardly); thence North 67 degrees 05 minutes West, along the northerly line of Emma Street and the extension thereof, a distance of 475 feet, more or less, to a point 10 feet distant southeastwardly from the southerly line of Chamberlain Avenue; thence North 51 degrees 25 minutes East, parallel to and at all points 200 feet distant southwardly from said common center line, a distance of 455.4 feet, more or less, to the point of beginning; containing 4.416 acres, more or less.

Being the same property conveyed by deed recorded in Book 1791, Page 622, in the Register's Office of Hamilton County, Tennessee.

TRACT TWO (2):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, and lying on the southerly side of Southern Railway Company's former double main tracks running between Chattanooga and Ooltewah Junction, Tennessee, and being a portion of Block 8, Sherman Heights, in the 1st Civil District, East Chattanooga, Tennessee, and being more particularly described as follows: BEGINNING at a point in the line dividing properties of Southern Railway Company and Georgia Industrial Realty Company, said point being in the northeasterly line of Lot 2, Block 8, 200 feet

distant South 38 degrees 35 minutes East, from a point in the common center line between said former main tracts of Southern Railway Company, measured at a right angle thereto from a point therein 985.3 feet distant northeastwardly (measured along said common center line) from Milepost 238-A on said railroad; and running thence South 51 degrees 25 minutes West, along said line dividing properties of Southern Railway Company and Georgia Industrial Realty Company, parallel to and at all points 200 feet distant southeastwardly from said common center line, a distance of 162.27 feet, more or less, to the northwesterly line of Lot 4, Block 8; thence North 22 degrees 55 minutes East, along the northwesterly line of Lots 4, 3 and 2 of Block 8, a distance of 142.61 feet, more or less, to the northeastwardly line of Lot 2, Block 8; thence South 67 degrees 05 minutes East, along said northeasterly line of Lot 2, Block 8, a distance of 77.43 feet, more or less, to the Point of Beginning; containing 5,521 square feet, more or less.

Being the same property conveyed by Deed recorded in Book 1791, Page 617, said Register's Office.

TRACT THREE (3):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, on the south side of and adjacent to the Southern Railway Company's right-of-way for former double main tracks between Chattanooga and Ooltewah Junction, and containing a portion of Lot 1, Block 8, Sherman Heights, in the Old Sixth Civil District, East Chattanooga, more particularly described as follows: BEGINNING at a point in the westerly line of Lot 1, Block 8, South 38 degrees 35 minutes East 100.00 feet at right angles from a point in the common center line between said former double main tracks 1,007.22 feet measured along said common center line northeastwardly from Milepost 238-A of the former Railway; thence North 51 degrees 25 minutes east parallel with and 100.00 feet distant from said common center line a distance of 21.00 feet; thence South 2 degrees 59 minutes West a distance of 90.85 feet to the southerly line of Lot 1, Block 8; thence North 67 degrees 05 minutes West along said southerly line of Lot 1, Block 8, a distance of 41.00 feet, to the westerly line of Lot 1, Block 8; thence North 22 degrees 55 minutes East along said westerly line of Lot 1, Block 8, a distance of 66.97 feet to the point of beginning. Containing 2,087 square feet or 0.048 acres.

Being the same property conveyed by deed recorded in Book 1791, Page 614, said Register's Office.

TRACT FOUR (4):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, being Lots 36, 37 and 38, Mission Park, as shown by plat of record in Plat Book 6, Page 25, in the Register's Office of Hamilton County, Tennessee.

Being the same property conveyed by Deeds recorded in Book 2690, Page 844 and Book 2685, Page 5, said Register's Office.

TRACT FIVE (5):

All those tracts or parcels of land lying and being in the City of Chattanooga, Hamilton County, Tennessee and being more particularly described as:

Parcel 1: Being a strip of land beginning on the westerly line of Awtry Street as projected southwardly, extending in an easterly direction to the easterly line of Wilhoit Street, as projected southwardly, lying on the southerly side of the right of way of the old main track of Southern Railway Company as it ran between Ooltewah and Chattanooga, Tennessee, and being all that land or lands acquired through the following conveyances:

Parcel No. 2c - From J. J. Berryhill by deed recorded in Book W-8, Page 689;

Parcel No. 2d - From N. H. Grady and D. W. Thomas by deed recorded in Book C-9, Page 148;

Parcel No. 2f - From J. M. Stephens by deed recorded in Book A-9, Page 583;

Parcel No. 2h - From Georgia Industrial Realty Company by deed recorded in Book O-10, Page 294;

Parcel No. 2i - From C. K. Chubbuck by deed recorded in Book A-9, Page 580;

Parcel No. 2m - From Georgia Industrial Realty Company by deed recorded in Book H-15, Page 712;

Parcel No. 2p - From Georgia Industrial Realty Company by deed recorded in Book Y-8, Page 193;

Parcel No. 2r - From Georgia Industrial Realty Company by deed recorded in Book H-15, Page 712;

Parcel No. 2s - From Georgia Industrial Realty Company by deed recorded in Book O-10, Page 301.

TOGETHER with the right, title and interest in and to the portion of Stephens Street encompassed in said Parcel 1.

Parcel 2: A parcel of land irregular in shape, the northerly boundary of which is 56 feet in length, the southerly boundary of which is 60 feet in length, lying west of the westerly portal of the Missionary Ridge Tunnel and being the northerly tip of Lot 60 of the Glass Farm.

Parcel 3: A strip or parcel of land having parallel sides, being 50 feet in width by 200 feet in length, lying both easterly and westerly of and on the southerly side of the westerly portal of Missionary Ridge Tunnel, bounded on the north, east and west by the right-of-way of Southern Railway Company's old main track which ran between Ooltewah and Chattanooga, Tennessee.

Parcel 4: The right, title and interest in and to the following described property, including the Missionary Ridge Tunnel of the Railway Company, lying and being in the Southeast Quarter of Section 11, Township 2 South, Range 4 West, Sherman Heights, Chattanooga, Hamilton County, Tennessee, and being more particularly described as follows: All that strip of land or right-of-way beginning at the westerly boundary of Awtry (Arotry) Street, as projected southwardly, and running thence to the easterly portal of said Southern Railway Company's Missionary Ridge Tunnel; said right-of-way being variable in width and being the same property conveyed by deed from B. R. Scott to East Tennessee and Georgia Rail Road Company (Grantor, successor) dated January 1, 1860, recorded in Book N-1, Page 31, and deed from J. P. Campbell, et al, to East Tennessee, Virginia and Georgia Rail Road Company (Grantor, successor) dated April 22, 1886, recorded in Deed Book V-2, Page 340; together with that portion of said Southern Railway Company's right-of-way which joins the easterly boundary of the lands conveyed to Southern Railway Company by said B. R. Scott, extending eastwardly to the easterly portal of said Missionary Ridge Tunnel, and which is a portion of the land conveyed by Thomas Crutchfield to the Chattanooga, Harrison, Georgetown and Charleston Rail Road Company (Grantor, successor) by deed dated 1854, and recorded in Deed Book Q, Page 743, all in the land records of Hamilton County, Tennessee.

Parcel 5: That strip, piece or parcel of land situate, lying and being in Hamilton County, Tennessee forming a portion of the hereinabove described Parcel 1 and being further shown as Parcel 2n on Exhibit attached to Warranty Deed recorded in Book 1977, Page 119, said Register's Office, consisting of the whole of Georgia Industrial Realty Company's land acquired in Book A-9, Page 591, said Register's Office.

TOGETHER WITH AND INCLUDED AS A PART OF THE ABOVE DESCRIBED PARCELS is an easement for Railroad Museum purposes including the right to

construct, operate and maintain a railroad track thereon, over and upon a strip of land or right-of-way of said Southern Railway Company and Georgia Industrial Realty Company situate, lying and being in the Southeast Quarter of Section 11 and the Northeast Quarter of Section 12, Township 2 South, Range 4 West, Sherman Heights, Chattanooga, Hamilton County, Tennessee, more particularly described as a strip of land 25 feet in width beginning at the easterly portal of said Missionary Ridge Tunnel and running thence eastwardly a distance of 3,230 feet, more or less, to the westerly boundary of Parson Street (now Tunnel Boulevard), said strip of land lying and being over and along the roadbed of the former southerly track of Southern Railway Company's two former main tracks (as last located) running between Ooltewah and Chattanooga, Tennessee.

ALSO INCLUDED is an easement or right-of-way to be used for the construction, operation and maintenance of a railroad track leading from The Alabama Great Southern Railroad Company's spur track number 238-1 over and upon that strip of land situate, lying and being in Chattanooga, Hamilton County, Tennessee, said easement or right-of-way being more particularly described as follows: An easement or right-of-way over and upon that strip of land extending through the right-of-way for said Alabama Great Southern Railroad Company's old main track as it ran between Ooltewah and Chattanooga, Tennessee, said strip of land being 25 feet in width, beginning in the northeasterly boundary of lands of Tennessee Valley Railroad Museum, said boundary being common to that of said Alabama Great Southern Railroad Company's right-of-way; the center line of said strip of land being the center line of a tract belonging to Tennessee Valley Railroad Museum which enters said Alabama Great Southern Railroad Company's lands at, or near the southeasterly corner of Lot 18, Block 8 in Missionary Ridge Park and herein referred to as Point "A", said strip of land lying 12-1/2 feet on each side of the center line of said track, and running thence northeastwardly, along a curve to the right as said track was constructed, a distance of 527 feet, more or less, as measured along said center line, to a point herein referred to as Point "B" being the same point at which said track joins the old main track of Alabama Great Southern Railroad Company.

All of the above Tract 5 being the same property conveyed by deed recorded in Book 1977, Page 119, said Register's Office.

TRACT SIX (6):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee being a part of the property conveyed to W. Thurman Davenport on August 13, 1947, described as follows: BEGINNING on the western line of the Cromwell Road 50 feet northwardly along said road from the southeastern corner of the said W. Thurman Davenport tract; thence westwardly, parallel to and 50 feet northwardly of the said W. Thurman Davenport tract, 378.8 feet; thence southwardly passing a corner of said tract at 40 feet and continuing along its line in all 90 feet to another corner of the said Davenport's tract; thence continuing along said line in a westwardly direction 1,840.00 feet, more or less, to a stake in the bank of the South Chickamauga Creek; thence northwardly along said creek, 60 feet, more or less, to its intersection with the railroad right-of-way; thence eastwardly along said railroad right-of-way, 1,700.00 feet, more or less, to a point in said right-of-way; thence eastwardly, parallel to and 296 feet southwardly of the northern line of the south one-half of the Northeast Quarter of Section 6, North Two South, Range 3, West of the Basis Line, of the Ocoee District, 847 feet, more or less, and the western line of said Cromwell Road, thence southwardly along said line 316 feet to the point of beginning.

EXCEPT THEREFROM that part conveyed to Hamilton County for the widening of Cromwell Road, as set out in Book 1683, Page 681, said Register's Office.

LESS AND EXCEPT THAT PART sold to National Model Railroad Association, Inc. by Deed recorded in Book 2664, Page 300, said Register's Office.

Reference is made to Book 2422, Page 979, said Register's Office.

TRACT SEVEN (7):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, being a part of the South one-half of the Northeast Quarter of Section 6, Township 6, North or 2 South, Range 3, West of the Basis Line, Ocoee District and being also a part of the property conveyed to A. R. Chandler by deed recorded in Book 2404, Page 798, in the Register's Office of Hamilton County, Tennessee, described as follows: BEGINNING at an iron pin, said pin being the corner of A. R. Chandler property in the right-of-way line of the Southern Railway System; thence South 31 degrees 50 minutes West 277.91 feet with the Chandler property to an iron pin, said pin being the corner between the Chandler and Vault Company properties; thence with the Vault Company line South 23 degrees 30 minutes West 90.0 feet to an iron pin, the corner of the Vault Company in the line of the Tennessee Valley Railroad Museum property (formerly John Davenport et ux); thence with the railroad museum property North 66 degrees 30 minutes West, 352.24 feet to an iron pin in the right-of-way line of the Southern Railway System; thence with said right-of-way line North 74 degrees 11 minutes East 498.0 feet to the point of beginning, containing 1.2 acres more or less.

Being the same property conveyed by deed recorded in Book 2516, Page 582, said Register's Office.

TRACT EIGHT (8):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee being more particularly described as: A strip of land 25 feet in width beginning at the easterly boundary of Parson Street (now Tunnel Boulevard), running thence northeastwardly and eastwardly, a distance of 3,440 feet, more or less, EXCEPTING THEREFROM that land lying within 20 feet of the right-of-way of existing Tract 237-1; said 25 foot wide strip of land lying and being over and along the roadbed of Southern Railway Company's two former main line tracks (as last located) running between Ooltewah and Chattanooga, Tennessee.

Being the same property conveyed by deed recorded in Book 2363, Page 950, said Register's Office.

TRACT NINE (9):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, being Lots 22, 23, 24, 25 and 26, Valley View Addition, as shown by plat of record in Plat Book 6, Page 58, in the Register's Office of Hamilton County, Tennessee.

Being part of the property conveyed by Deed recorded in Book 2121, Page 473, said Register's Office.

TRACT TEN (10):

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, and being more particularly described as follows:

Parcel 1: BEGINNING at the intersection of the northeasterly right-of-way line of the Louisville and Nashville Railroad Company with a line 100 feet northwardly from, as measured at a right angle to, the former common center line of the former double main tracks of Southern Railway Company; and running thence South 85 degrees 53 minutes East, a distance of 1,337.85 feet, more or less, to a point on the westerly side of Chickamauga Creek; thence South 24 degrees 42 minutes East, a distance of 228.25 feet, more or less, to a point on the westerly side of Chickamauga Creek; thence North 85 degrees 53 minutes West, a distance of 815.53 feet, more or less, to the aforementioned northeasterly right-of-way line of the Louisville and Nashville Railroad Company; thence North 68 degrees 23 minutes West along said northeasterly right-of-way line of the Louisville and Nashville Railroad Company, a distance of 665.10 feet, more or less, to the Point of Beginning, containing 4.94 acres, more or less.

Parcel 2: BEGINNING at the intersection of the northeasterly boundary of Tunnel Boulevard (Parson Street) with a line 100 feet northwestwardly from, as measured at a right angle to, the former common center line of the former double main tracks of Southern Railway Company; and running thence North 59 degrees 53 minutes East, a distance of 864.16 feet; thence North 60 degrees 17 minutes East, a distance of 122.09 feet; thence northeastwardly along a curve to the right (radius 2,964.93 feet - chord North 73 degrees 07 minutes East 1,236.26 feet) an arc distance of 1,245.40 feet; thence South 85 degrees 20 minutes East a distance of 608.29 feet; thence 87 degrees 37 minutes East 372.80 feet, more or less, to the southwesterly right-of-way line of the Louisville and Nashville Railroad Company; thence South 68 degrees 23 minutes East, along said southwesterly right-of-way line of the Louisville and Nashville Railroad Company, a distance of 665.10 feet; thence North 85 degrees 53 minutes West, a distance of 1,090.88 feet; thence North 86 degrees 17 minutes West, a distance of 117.91 feet; thence southwestwardly along a curve to the left (radius 2,764.93 feet - chord South 77 degrees 00 minutes West, 1,516.50 feet) an arc distance of 1,536.19 feet; thence South 60 degrees 17 minutes West, a distance of 117.91 feet; thence South 59 degrees 53 minutes West, a distance of 870.44 feet, more or less, to the aforementioned northeasterly boundary of Tunnel Boulevard (Parson Street); thence North 28 degrees 19 minutes West, along said northeasterly boundary of Tunnel Boulevard (Parson Street), a distance of 200.10 feet, more or less, to the Point of Beginning; said Parcel 2 includes the 25-foot strip of land or right-of-way conveyed by Southern Railway Company to the Tennessee Valley Railroad Museum dated November 22, 1976, and recorded in Book 2363, Page 950, in the Register's Office of Hamilton County, Tennessee; containing 13.54 acres, more or less.

Being the same property conveyed by Deed recorded in Book 2604, Page 201, said Register's Office.

TRACT ELEVEN (11):

In the City of Chattanooga of Hamilton County, Tennessee: BEGINNING at a point in the East line of North Crest Road, said point being the point of intersection of the East line of North Crest Road and the center line of the railroad tunnel under Missionary Ridge; thence South seventy (70) degrees forty-six (46) minutes East along said center line three hundred (300) feet, more or less, to the West line of Section Twelve (12), Township Two (2), Range

Four (4), West of the Basis Line, Ocoee District; thence North twenty-three (23) degrees no (00) minutes East, more or less, along said Section Line, one hundred twenty-six and seven-tenths (126.7) feet, more or less; thence South seventy (70) degrees forty-six (46) minutes East, three hundred fifty-three (353) feet, more or less; thence South nineteen (19) degrees fourteen (14) minutes West along a line that is an extension of the East portal of said tunnel, two hundred twenty-six and five-tenths (226.5) feet; thence North seventy (70) degrees forty-six (46) minutes West six hundred three (603) feet, more or less, to the East line of North Crest Road; thence Northwardly along the East line of North Crest Road, one hundred fifteen (115) feet, more or less, to the point of beginning. (See Exhibit "A" attached)

Being the same property conveyed by Agreed Final. Decree recorded in Book 2308, Page 522, said Register's Office.

TOGETHER WITH all of Grantor's right, title and interest under those certain Agreements recorded in Book 2364, Page 730, and in Book 2308, Page 517, Register's Office of Hamilton County, Tennessee, but provided that Grantor's right, title and interest under said Agreements shall be conveyed hereunder only to the extent and insofar as Grantor is permitted to make such conveyance.

TOGETHER WITH the real estate to be purchased with a portion of the funds evidenced by the note secured hereby. A supplement or amendment to the Deed of Trust will be executed simultaneous with Grantor's acquisition of such real estate.